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PRS

CRITICAL REQUIREMENTS OF PERFORMANCE FOR ACCOUNTING AND BUDGET PERSONNEL

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FOR ACCOUNTING AND BUDGET PERSONNEL

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Office of Personnel

United States Department of Agriculture

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Preface

This report is one of a series dealing with critical performance requirements for different occupational groups.

The author gratefully acknowledges the subject matter advice and technical assistance of the following men in conducting the analyses:

Chester F. Boratenski, Consumer & Marketing Service

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The technical aspects of this study are contained in technical appendices which are available from the research files upon request.

SUMMARY AND HIGHLIGHTS

This report describes the critical incident method of determining the performance requirements for accountants and budget personnel and for developing a personnel performance information system for these occupations. The advantages of using performance records as source documents for many kinds of personnel actions are explained. Various ways in which management can use the information contained in pools of critical incidents to aid decision-making in such areas as career programming, spotting training needs, evaluating the relevance of training courses, and appraising the effects of program and policy changes are also illustrated.

A handwritten signature in dark ink, reading "William L. Glickman". The signature is fluid and cursive, with the first name "William" and last name "Glickman" clearly legible.

Chief, Personnel Research Staff

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Critical Requirements of Performance for Accounting and Budget Personnel

To answer the question, "How are we doing," management depends upon the adequacy of its performance information system. In any occupational area, if we have inadequate information about the requirements for satisfactory performance and the achievement of these requirements, we cannot tell how well we are doing.

During the past three years the Personnel Research Staff of the U. S. Department of Agriculture has been doing research aimed at improving our performance information systems. The following is a study of critical performance requirements for the 1200-odd Accounting and Budget personnel of the Department.

We started with the question: "What are the critical requirements of performance in this occupation?" We got the facts by going to the people directly involved in doing and in supervising the work. We asked each of them to describe critical incidents that they had observed.

What are critical incidents?

Critical incidents are specific actions or behaviors that have actually been observed. They do not involve personality labels or lists of traits. An effective critical incident leads to significantly better than average accomplishment of a particular aspect of a job, assignment, or responsibility. An ineffective incident leads to significant delay, mistakes, omissions, or lack of accomplishment. One might say that an incident is called critical because it makes a real difference. The judgments are based upon results--the outcomes of peoples' actions and behaviors and the products of their work. They are judgments made by people at various levels, but always by the people in the best position to observe: those closest to the operational situation, those best situated to base their judgments upon the objective facts, within human limits of perceptual fallibility.

An individual critical incident is not an evaluation of a person. It is an observation of "what happened," what action took place, and what its consequences were.

Each person was asked to write up eight incidents--two effective and two ineffective incidents involving "job or technical competence" and two of each kind involving "working with people." Altogether we collected about 5000 critical incidents from Accounting and Budget personnel. To help in carrying out statistical studies of group data; we also asked for certain additional information, but complete individual anonymity was assured.

Determining critical performance requirements

After the incidents had been collected, we sorted them into groups, according to the different critical performance requirements that they reflected. There were no predetermined categories. Fifty-six critical requirements grew out of the content of the incident pool. There were slightly more of these requirements for the ineffective than for the effective categories.

The related critical requirements were then grouped together to identify critical performance areas. We tested our classification for objectivity by having five observers independently sort a sample of incidents. The average agreement among observers was about 60%, which was deemed sufficient for the purposes of the study. This procedure yielded eight performance areas.

The performance record

A copy of the form developed for Accounting and Budget personnel in USDA is presented in Exhibit 1. It is organized by performance areas. Within each performance area the related critical requirements are listed--effective behaviors on the left side, ineffective on the right. Spaces are provided under each performance area for the supervisor to make notes of critical incidents at the time they occur. He will have a Performance Record for each of his subordinates.

Experience in industry has shown that on the average, supervisors of groups of up to thirty employees need no more than five minutes a day to make entries for the whole group. This is so for two reasons. First, most of the things that employees do fall within the broad range of normal, average, typical, satisfactory, or acceptable performance. Critical incidents that "make a real difference" are rarer. Just a few employees are likely to be involved on any given day. Some days there may be none. Secondly, most of the basic descriptive material is already in the Performance Record. A short note in the appropriate performance area is all that is needed to insure that the information will not be forgotten and that the incident can be recalled later on.

I. CARRYING OUT ASSIGNMENTS

1. PERFORMING ASSIGNMENTS ACCURATELY

A. Detected clerical error.
 B. Detected error in procedure or instructions. C. Completed task with minimal information or instructions.

a. Did not perform specific operation or task correctly. b. Did not follow procedure or instructions. c. Did not adequately verify and/or support reports or statements. d. Did not meet deadline or report status of work. e. Did not follow through. f. Did not properly safeguard important documents.

DATE	ITEM	WHAT HAPPENED	DATE	ITEM	WHAT HAPPENED
			2/8	c	No detail on
					report X, redone

2. ASSUMING RESPONSIBILITY AND RESPONDING TO NEED FOR EXTRA EFFORT

A. Developed new procedure.
 B. Demonstrated alertness and/or follow through in unusual circumstances. C. Carefully planned work assignment. D. Procured additional information. E. Voluntarily contributed extra effort to complete task.

a. Did not keep informed on job activities or instructions. b. Did not properly utilize time. c. Did not meet appointments. d. Did not maintain proper personal appearance. e. Did not report absence.

DATE	ITEM	WHAT HAPPENED	DATE	ITEM	WHAT HAPPENED
6/5	A	Completed report <u>Z</u> in less time by listing new current activities in a separate form.			

II. WORKING WITH OTHERS

3. RELATIONSHIPS WITH OTHER ORGANIZATIONS

A. Presented information tactfully.
 B. Gave helpful assistance to others.

a. Did not use tact in presenting information. b. Acted inconsiderately toward auditee's program.

DATE	ITEM	WHAT HAPPENED	DATE	ITEM	WHAT HAPPENED

4. COOPERATING AND GETTING ALONG WITH OTHERS

- A. Assisted others when needed.
 B. Stimulated cooperation.
 C. Made skillful group presentation.

- a. Refused to help fellow worker.
 b. Acted inconsiderately toward others.
 c. Resisted or disobeyed supervisor.
 d. Did not coordinate with other group.
 e. Acted outside scope of authority.
 f. Used offensive language.

DATE	ITEM	WHAT HAPPENED	DATE	ITEM	WHAT HAPPENED

III. MANAGING WORK AND SUPERVISING OTHERS

5. PLANNING AND ORGANIZING WORK

- A. Provided in advance for contingencies.

- a. Set up inappropriate assignments or work schedules.
 b. Did not delegate responsibilities appropriately.

DATE	ITEM	WHAT HAPPENED	DATE	ITEM	WHAT HAPPENED

6. MOTIVATING SUBORDINATES

- A. Gave praise or recognition for superior performance.
 B. Counseled privately on performance when needed.
 C. Settled difference among employees.
 D. Considered employee's personal problem.
 E. Developed teamwork and cooperation.

- a. Criticized in presence of others.
 b. Failed to discuss subordinate's performance.
 c. Failed to find cause of non-performance.
 d. Showed favoritism to subordinate.
 e. Failed to maintain cordial relations with subordinate.
 f. Acted in arbitrary or dictatorial manner.

DATE	ITEM	WHAT HAPPENED	DATE	ITEM	WHAT HAPPENED

Suppose, for example, an employee fails to provide supporting detail for a report and the report has to be done over. Such an incident falls in performance area 1, "Performing Assignments Accurately". Within that area the incident fits under c, on the right hand side of the page. As to "What Happened", the supervisor might merely note "No detail on report X, redone", which should be enough to recall the incident to his mind at some later time.

Again, suppose that the employee's performance record showed the following entry under 2A: "Completed report Z in less time by listing new current activities in a separate form". The statement of critical requirement 2A-will serve to remind the supervisor that this incident involved a new twist developed by this employee. In both examples the relevant information is neatly summarized in a single short phrase.

PUTTING CRITICAL INCIDENTS TO WORK

Personnel performance information for decision-making

Up to this point we have concentrated upon providing an understanding of what critical incidents are, and how they are used to define the critical performance requirements of an occupation and to develop a performance record. Hopefully, experienced managers in among our readers have begun to perceive the applicability and utility of such information at many points across a broad range of management activities.

If we consistently assemble and maintain a store of information on individuals' performance at work, we will have available the essential facts needed to arrive at any of the administrative personnel decisions we are called upon to make. The summation of the pluses and minuses of individual performance can give us an improved comprehension of the requirements that most influence success and failure in achieving our objectives. We will reduce the burden of separately maintaining large overlapping files of performance information for each administrative application (e.g. awards, transfers, promotions, annual ratings, training needs).

From here on we will explore in greater depth some specific ways supervisors and managers can make use of the critical incident technique and critical incident records.

What can critical incidents tell management?

Our answers can be developed in two areas: (1) individual supervisor-subordinate relations; and (2) general personnel management functions and programs.

Individual supervisor-subordinate relations

Accumulating information about performance in the critical requirements of work continually rather than intermittently, provides a more objective record of information. The pressures to "mold" the information are less than when it must be pulled from your head only when a report on an individual is needed for some specific purpose. This is so, because the ends to be served by the report tend to determine what information will be retrieved and offered on that occasion. Contrary to good theory, the supervisor in practice usually makes his judgment first, and then finds "facts" to support it, instead of the other way around. So, if all performance information is presented as part of administrative reports, there remains no independent source of data collected under "neutral" conditions.

A supervisor's note in a person's performance record is neither a punishment nor a reward. The performance record is not an evaluation form, nor is the supervisor attempting to evaluate the person when he makes a note for the record. He is only evaluating the quality of a specific action or performance. The notes are merely reminders of facts to be considered in talking to the employee about his work, and for reference when personnel decisions are to be taken later on. They are as much the property of the employee as of the supervisor. If the employee wants to use these notes to improve himself, they are available for discussion with his supervisor. The employee makes the record. The supervisor only keeps it.

Since observations are noted when they happen, the information is less subject to forgetting and errors of recall. Since the critical incidents are identified with the normal work situation and discussed when they happen, both parties are likely to develop a better balanced perspective.

As a consequence, the significance of individual incidents is less likely to be inflated out of all proportion to their place in the total picture of performance.

Because the incidents deal with observable behavior and its results, it is possible to discuss performance, and even to evaluate it on a less emotion-provoking level than is so often the case when inability to recall specific illustrative incidents lead to generalized and questionable personality analysis.

Furthermore, the summaries of an individual's performance history that underlie the evaluations and decisions needed in performance review, career planning, promotion rosters, and training plans, are less likely

to be looked upon as bureaucratic procedures, largely divorced from the realities of day-to-day experience and the normal relations between a man and his boss. This can mean improvement not only in job performance, attitudes, and common understanding, but in the quality of supervision as well.

In these circumstances, forms and procedures are developed to facilitate the use of information, but the forms are clearly subordinated to the substance of the information system.

As a result, the occasions when formal review and evaluation take place are less likely to be regarded as uncomfortable special occasions during which both parties must communicate self-consciously, with their guards up. The "summing up" is more likely to be looked upon in a healthy fashion as the natural consequence of shared experience, and as part of a jointly held aim to further the success of the outfit of which both are a part.

General personnel management function and programs

Apart from those situations of an individual nature, the pools of critical incidents that are accumulated offer valuable knowledge to managers. Given supplementary information on such characteristics of the groups involved as grade level, length of service, age, sex, and occupational specialty, useful comparisons can be made. Again let us look at some examples.

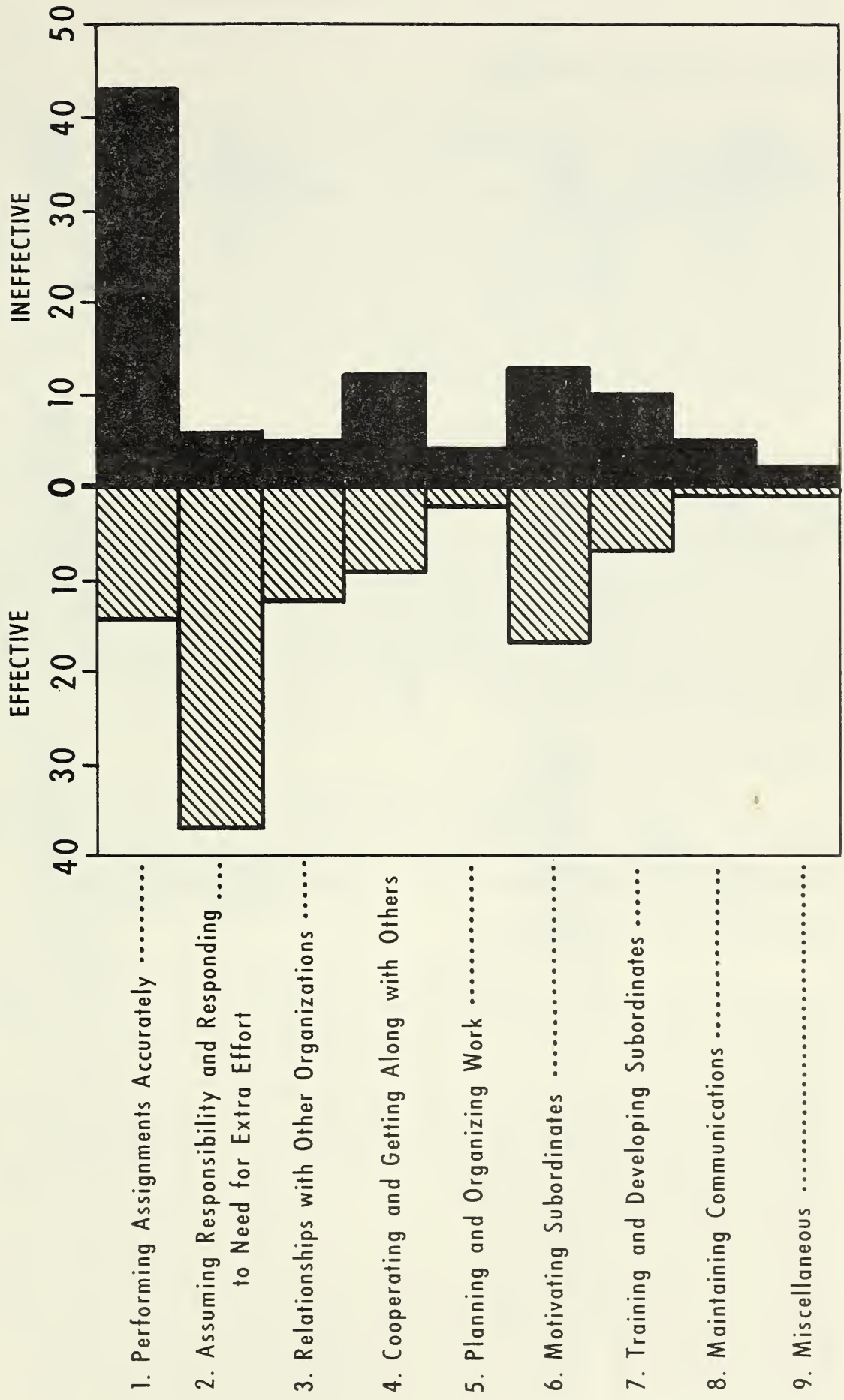
Taking the pulse of the organization

What are the areas of particular strength or weakness in the functioning of the organization as a whole? Consider Exhibit 2. Exhibit 2 is based upon a sample of about 2100 incidents drawn from the pool of 5000. We see that relatively high concentrations of both effective and ineffective incidents occur in the areas of "Performing Assignments Accurately" and "Assuming Responsibility and Responding to Need for Extra Effort." However, "Performing Assignments Accurately", shows a higher concentration of ineffective than effective incidents, while the reverse is true of "Assuming Responsibility and Responding to Need for Extra Effort". The area of "Motivating Subordinates" also has a high concentration of effective and ineffective incidents. On the other hand, relatively few incidents of either type occur in areas of "Planning and Organizing Work" and "Maintaining Communications".

The significance for management of a tabulation like this is obvious. It pinpoints the areas where further analysis might be profitable. Take just one example. A comparison of the distribution of critical incidents with present statements of job requirements can show whether or not the latter need to be revised.

EXHIBIT 2

PERCENT OF EFFECTIVE AND INEFFECTIVE INCIDENTS FOR COMBINED SERIES FOR EACH PERFORMANCE AREA



Making promotion decisions

How do the critical requirements of the job change with grade level? Exhibit 3 shows the proportions of incidents at different grade levels for each performance area. At the lower levels, the greatest proportions of incidents involve "Performing Tasks Accurately," and "Assuming Responsibility and Responding to Need for Extra Effort". At the higher levels, "Motivating Subordinates", "Training and Developing Subordinates", and "Maintaining Communications" account for the greatest proportion of incidents. No surprise here. Nevertheless, an analysis of critical incidents can help to define the content and changes in work that occur at these different levels, thus providing management with more specific information than might otherwise be available.

When incidents are classified and tabulated as in Exhibit 3, it quickly appears that the supervisor may not have the opportunity to observe behaviors at one level that are indicative of how well the employee will perform at a higher level, because there may be little or no opportunity for these kinds of incidents to occur. As Exhibit 3 clearly shows, "Planning and Supervising" incidents, which preponderate at the higher grade levels occur very infrequently at the lower levels. Hence, in making a selection for a supervisory job, a promotion board might wish to supplement performance information with other data - for example, tests - to get a better prediction of how well a person might be expected to function as a supervisor.

Planning job rotation

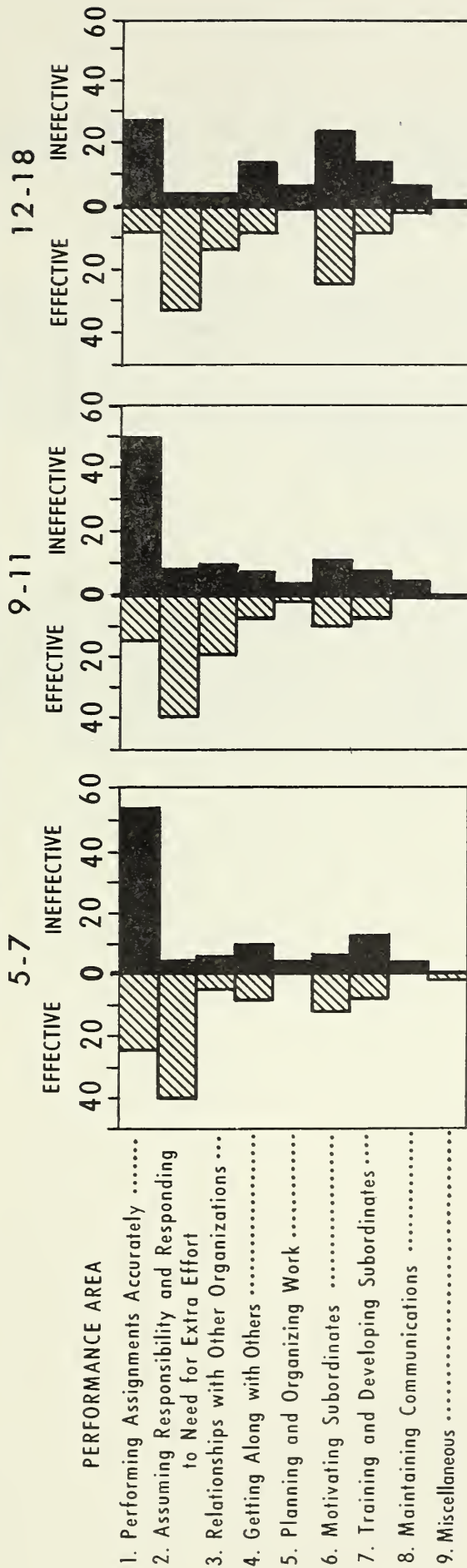
A job rotation plan can be developed by classifying the incidents according to functional areas. This would enable participants in the plan to gain experience in certain kinds of problem situations that would enhance their performance later in their careers.

Spotting training needs

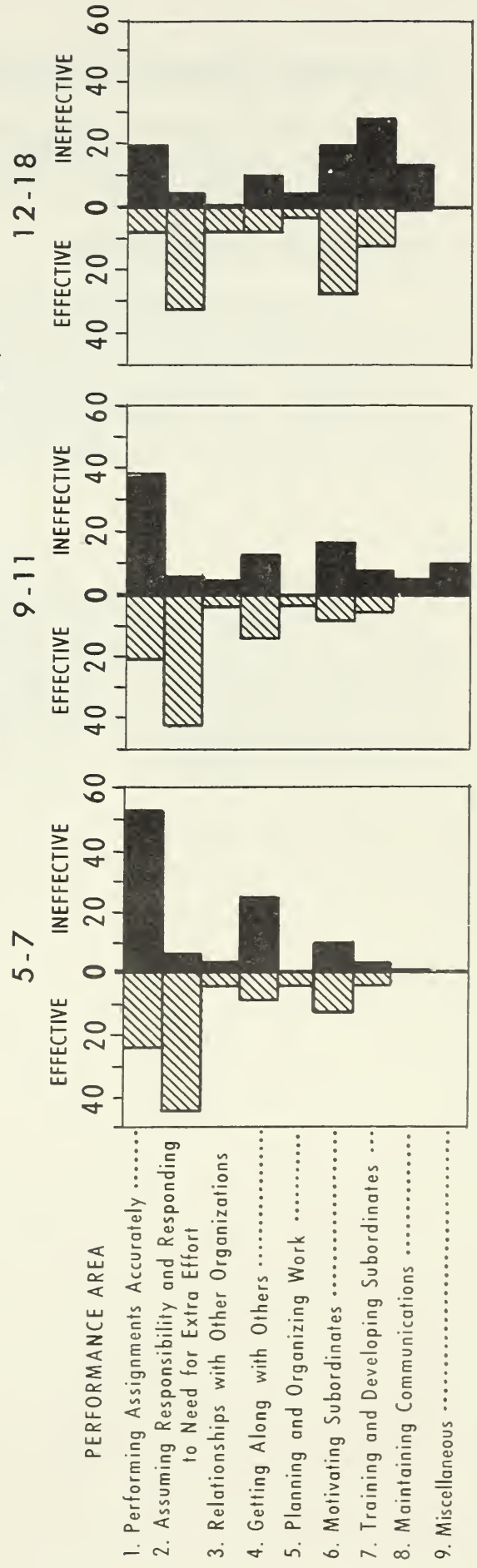
Just as an individual employee's performance record can be used to diagnose his specific training needs, so too can a pool of critical incidents collected from many employees point up training needs of the group as a whole. This is particularly true when the incidents are classified according to function or program areas. Inspection of the incidents may suggest curriculum content, as for example, certain supervisory practices that need to be emphasized or re-emphasized. Indeed the incidents themselves might be incorporated as study material in a supervisory training program.

PERCENT OF EFFECTIVE AND INEFFECTIVE INCIDENTS WITHIN EACH GRADE LEVEL AND SERIES FOR EACH PERFORMANCE AREA

ACCOUNTING ADMINISTRATION AND ACCOUNTING (501+510)



BUDGET ADMINISTRATION (560)



Determining relevance of training

Critical incidents can also be used to assess and validate existing curriculum content by checking them as to whether the relevant skills are "Taught" or "Not Taught" in the course.

Evaluating program changes

Still another potential use for critical incidents is the evaluation of program and policy changes. Suppose that a certain organizational or procedural change is introduced in order to alleviate some problem situation. Incidents collected after the change has been introduced can be compared with those in the present incident pool, and a statement as to the effects of the change then can be made.

CONCLUSION

It should be evident by now that critical incidents can tell management many things that it needs to know. The information derivable from an analysis of critical incidents is less influenced by subjectivity and bias, because it is based upon actually observed job performance. At the same time, it is more precise, more specific, and more relevant to the requirements of the job than information obtained by more traditional methods.

